

TOWN OF FRANCIS AND PUBLIC TRUSTS
FRANCIS, OKLAHOMA
Agreed Upon Procedures
June 30, 2014
With Independent Accountants' Report Thereon

JOHNSTON & BRYANT

Certified Public Accountants

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MEMBER
American Institute of Certified Public Accountants
Oklahoma Society of Certified Public Accountants

Independent Accountant's Report

Town Council
Town of Francis and Public Trusts
Francis, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the Town of Francis and Public Trusts, Francis, Oklahoma as of June 30, 2014 and the related Budgetary Comparison Schedule of General Fund-Cash Basis; Statement of Revenues, Expenses and Changes in Fund Balance of the Public Works Authority-Cash Basis; and Schedule of Grant Activity-Cash Basis for the fiscal year ended June 30, 2014. The financial statements have been prepared in a format and basis of accounting as prescribed by Oklahoma statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than generally accepted accounting principles. We have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis and budget laws of the State of Oklahoma.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis and budget laws of the State of Oklahoma and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in the financial statements prepared on the cash basis of accounting and budget laws of the State of Oklahoma. If omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's change in fund balance, budgetary comparisons, revenue, expenses, and grant activity. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Additionally, we have performed the procedures enumerated below which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town in meeting its financial accountability requirements as prescribed by Oklahoma Statutes 11-17 (105-107) and 60-180. 1-3 and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2014. Management of the Town of Francis is responsible for the Town's financial accountability and its compliance with those legal and contractual agreements.

This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Findings

As to the **Town of Francis** as of and for the fiscal year ended June 30, 2014:

1. **Procedures Performed:** From the Town's trial balances, we prepared a schedule of changes in fund balances for each fund (see accompanying Exhibit 1) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of non compliance.

Findings: None noted

2. **Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund (see accompanying Exhibit 2) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: None noted

3. **Procedures Performed:** We agreed the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: None noted

4. **Procedures Performed:** We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: None noted

5. **Procedures Performed:** We compared use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: None noted

6. **Procedures Performed:** We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: None noted

7. **Procedures Performed:** We compared the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of non compliance.

Findings: None noted

As to the **Francis Public Works Authority and Francis Public Facilities Authority**, as of and for the fiscal year ended June 30, 2014:

1. **Procedures Performed:** From the Authority's trial balances, we prepared a schedule of revenues, expenditures/expenses and changes in fund balances/net assets for each fund (see accompanying Exhibit 3 and 4) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: None noted

2. **Procedures Performed:** We agreed the Authority's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances or reconciling items that have not cleared.

Findings: None noted

3. **Procedures Performed:** We compared the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: None noted

4. **Procedures Performed:** We compared the Authority's used of material-restricted revenues and resources to their restrictions to report any noted instances of compliance.

Findings: None noted

5. **Procedures Performed:** We compared the accounting for the Authorities activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: None noted

6. **Procedures Performed:** We compared the Authority's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: None noted

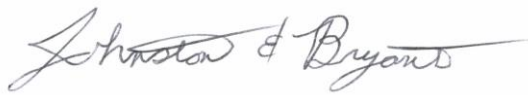
As to the **Town of Francis and Public Works Grant Programs**, as of and for the fiscal year ended June 30, 2014:

1. **Procedures Performed:** From the Town and Authority's trial balances, we prepared a schedule of grant activity for each grant/contract (see accompanying Exhibit 5) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

Findings: None noted

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script, reading "Johnston & Bryant". The signature is written in dark ink and is positioned centrally on the page.

February 11, 2015

TOWN OF FRANCIS AND PUBLIC TRUSTS
FRANCIS, OKLAHOMA
Summary of Changes in Fund Balance – Cash Basis
For the Fiscal Year Ended June 30, 2014
(UNAUDITED)

	Fund Balance 6/30/2013	Current Year Receipts	Transfers	Current Year Disbursements	Fund Balance 6/30/2014
Town:					
General	\$ 134,562	\$ 37,321	\$ (6,265)	\$ (29,028)	\$ 136,590
Street and Alley	3,565	3,027	-	(3,145)	3,447
Capital Improvement	-	-	-	-	-
Fire Department	33,990	4,964	6,265	(3,905)	41,314
Town Sub-Totals	172,117	45,312	-	(36,078)	181,351
Public Works Authority:					
Utilities Fund	38,387	119,736	-	(121,715)	36,408
PUA Sub-Totals	38,387	119,736	-	(121,715)	36,408
Public Facilities Authority:					
General Fund	1,363	439,336	-	(430,881)	9,818
PFA Subtotal	1,363	439,336	-	(430,881)	9,818
Overall Totals	\$ 211,867	\$ 604,384	\$ -	\$ (588,674)	\$ 227,577

See Accompanying Accountants' Report

TOWN OF FRANCIS AND PUBLIC TRUSTS
FRANCIS, OKLAHOMA
 Budgetary Comparison Schedule – Cash Basis
 Town of Francis General Fund
 For the Fiscal Year Ended June 30, 2014
(UNAUDITED)

	Budgetary Amounts			
	Original	Final	Actual	Variance
Beginning Fund Balance	\$ 105,000	\$ 105,000	\$ 134,562	\$ 29,562
Resources (Inflows):				
Sales and Use Tax	16,000	16,000	18,908	2,908
Alcohol Tobacco Tax	2,000	2,000	2,169	169
Franchise Tax	8,500	8,500	10,585	2,085
Grant Revenues	-	-	-	-
Miscellaneous	1,000	1,000	5,379	4,379
Total Resources	132,500	132,500	171,603	39,103
Investment Income	-	-	280	280
Amounts Available for Appropriations	132,500	132,500	171,883	39,383
Charges to Appropriation(Outflows):				
Personnel Services	(3,000)	(3,000)	(2,816)	184
Maintenance and Operations	(40,000)	(39,500)	(26,212)	13,288
Total Expenditures	(43,000)	(42,500)	(29,028)	13,472
Other Uses:				
Transfer from other funds	-	-	-	-
Transfers to Other Funds	(5,800)	(6,300)	(6,265)	35
Total Other Uses	(5,800)	(6,300)	(6,265)	35
Total Charges to Appropriations	(48,800)	(48,800)	(35,293)	13,507
Ending Fund Balance	\$ 83,700	\$ 83,700	\$ 136,590	\$ 52,890

See Accompanying Accountants' Report

TOWN OF FRANCIS AND PUBLIC TRUSTS
FRANCIS, OKLAHOMA
Statement of Revenues, Expenses and Changes in Fund Balance – Cash Basis
Francis Public Works Authority
Year Ended June 30, 2014
(UNAUDITED)

Operating Revenue:	
Water and Sewer	\$ 94,678
Sanitation	20,010
Miscellaneous	4,921
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Total Operating Revenue	119,609
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Operating Expenses	
Personal Services	24,045
Contract Labor	23,311
Maintenance and Operations	47,109
Grant Expenses	-
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Total Operating Expenses	94,465
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Net Operating Income (Loss)	25,144
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Non-operating Revenue (Expense):	
Interest Income	127
Debt Service	(27,250)
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Net Non-Operating Revenue (Expense)	(27,123)
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Net Income (Loss) Before Transfers	(1,979)
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Other Financing Sources (Uses)	
Operating Transfers in	-
Operating Transfers (Out)	-
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Total Other Financing Sources (Uses)	-
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Net Income (Loss)	(1,979)
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Fund Balance - Beginning	38,387
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Fund Balances - Ending	\$ 36,408
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See Accompanying Accountants' Report

TOWN OF FRANCIS AND PUBLIC TRUSTS
FRANCIS, OKLAHOMA

Statement of Revenues, Expenses and Changes in Fund Balance – Cash Basis
Francis Public Facilities Authority
Year Ended June 30, 2014
(UNAUDITED)

Non-Operating Revenue:	
Grant Revenue	\$ 339,033
Loan Proceeds	100,000
Interest	<u>303</u>
Total Revenue and Loan Proceeds	<u>439,336</u>
Non-Operating Expenditures	
Grant Expenditures	339,033
Project Expenditures out of Loan Proceeds and Other	<u>91,848</u>
Total Expenditures	<u>430,881</u>
Net Income	8,455
Fund Balance - Beginning	<u>1,363</u>
Fund Balance - Ending	<u><u>\$ 9,818</u></u>

See accompanying Accountants' Report

TOWN OF FRANCIS AND PUBLIC TRUSTS
FRANCIS, OKLAHOMA
Schedule of Grant Activity – Cash Basis
Year Ended June 30, 2014
(UNAUDITED)

	Beginning of Year Unexpended Grant Funds	Current Year Receipts	Current Year Disbursements	End of Year Unexpended Grant Funds
State of Oklahoma				
CDBG 15.207-12	\$ 1,360	\$ -	\$ 1,360	\$ -
CDBG 15450 CDBG-12	-	239,046	239,046	-
Department of Agriculture	-	4,474	3,905	569
OWRB-REAP Grant	-	99,987	99,987	-
Overall Totals	<u>\$ 1,360</u>	<u>\$ 343,507</u>	<u>\$ 344,298</u>	<u>\$ 569</u>

See Accompanying Accountants' Report

TOWN OF FRANCIS AND PUBLIC TRUSTS
FRANCIS, OKLAHOMA
Schedule of Notes Payable
Year Ended June 30, 2014
(UNAUDITED)

	Beginning Balance 6/30/2013	Additions	Ending Balance 6/30/2014	Principal Payments
A non-interest bearing note to the Oklahoma Department of Commerce, secured by certain equipment and revenues of the Francis Public Works Authority, payable in monthly installments of \$521 to May of 2025	<u>\$ 74,476</u>	<u>\$ -</u>	<u>\$ 68,226</u>	<u>\$ 6,250</u>
A %6 note to Citizens Bank and Trust, Ada, Oklahoma Payable \$1,750 per month	<u>\$ 30,497</u>	<u>\$ 100,000</u>	<u>\$ 114,556</u>	<u>\$ 15,941</u>

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